

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 3 - Higher Education, Research & International

Department of Education Question No. ED0024_15

Senator Carr provided in writing.

Question

Average graduate earnings

Please provide the Department's sources and calculations for the Government's claims that:

- A graduate will earn (on average) \$1 million more than a non-graduate over a working lifetime
- A graduate will earn (on average) 75 per cent more than a non-graduate over a working lifetime
- A graduate has, on average, a one per cent unemployment rate.

Answer

'Graduate Winners: Assessing the public and private benefits of higher education', Grattan Institute, Table 7 – Median gross lifetime income by level of education, p.51 provides estimates of additional graduate earnings. These estimates were weighted by the number of male and female domestic undergraduates in 2012 derived from education.gov.au/ucube-higher-education-data-cube.

For over 30 years, ABS data (education and work, various issues) shows that graduates are always better off in the labour market with roughly half the unemployment rate compared with total unemployment.